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Family Policy in France

Jeanne Fagnani

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The French welfare state is a mixed system combining elements of various organizational models: it lies between the Beveridge and Bismarck models, with insurance funds and strong state intervention, and relies both on wage related contributions and general taxation. In the health sector for instance, it combines public and complementary voluntary health insurance, which finance the same services by the same providers for the same populations. It is a publicly funded system characterized by freedom of choice and unrestricted access for patients along with freedom of practice for professionals. These factors combine to make it difficult for the state to control expenditure, taking into account that health insurance funds have no real financial responsibility.

The present social security system, including statutory health insurance, officially came into being with the Ordinance of 4 October 1945 which aimed to cover all the so-called ‘social risks’. A reform of the organization of social security took place in 1967. It was separated into four branches: health insurance (which represents the largest share of expenditures devoted to social protection), pensions, family allowances, and insurance for work-related accidents and occupational illnesses. The provision of social security was aimed primarily at workers and their families. The principle of expanding coverage to the whole population was put into practice only in stages.

The founders of the social security system, inspired by the Beveridge report, wanted to create a single system guaranteeing uniform rights for all. However, this goal could not be achieved due to opposition from certain socio-professional groups who already benefited from insurance coverage that had more favourable terms and who succeeded in maintaining their particular schemes (civil servants, in particular). Therefore, the social security system is characterized by a high degree of occupational fragmentation while the largest scheme covers private sector employees.

Management of the boards of health insurance funds has traditionally been shared between the state and the “social partners” (representatives of employees and employers

appointed by trade unions). With the funds running ever increasing deficits throughout the nineties this balance has been shifting towards increasing state intervention, particularly since the issue of cost-containment has figured prominently on the political agenda. However, many of the measures taken to reduce expenditure growth have so far been ineffective and have always been strongly opposed by professional associations.

Against a background of slow economic growth and spreading unemployment, the health system has undergone significant changes: one of the most important took place in 2000 in the form of the Universal Health Coverage Act (CMU) which establishes universal health coverage on the basis of residence in France. The CMU Act further shifted the balance of the insurance system away from a work-based system. The objective of equality has prevailed over cost containment as the CMU explicitly aims to increase access for people on low incomes who are exempt from paying contributions.

This evolution has its origins in the reform of 1996 ('Juppé reform' named after the Prime Minister of the time) which introduced two important changes: the creation of a tax on income in the funding of the social security system and a more active role for parliament in determining policy directions and expenditure targets in each branch of the system.

The pension branch also underwent significant changes: in 1993, the Government decided on a reduction of benefits in the scheme covering private sector employees. Two years later, an attempt at cutting pensions for public sector employees resulted in a massive protest movement which forced the right-wing Government to withdraw their plans. Under the pressure of workers' trade unions, the Government also set up an 'Old Age Solidarity Fund', financed through general taxation. This fund has since taken on the financial responsibility for providing minimum pensions and non-contributory means-tested benefits.

Contrary to the pension system, the family policy branch of the Social security system has been immune to cutbacks in provision and no retrenchment measures have been implemented. This mirrors the salience of family-related issues in the social and political agenda. This also reflects the fact that the family branch and its large network of Local Allowance Funds (CAFs) are responsible for the management of welfare state provisions.

The family branch is a transfer-heavy system which aims at reducing social inequalities and fighting against poverty: for instance they provide more than one million households with the *Minimum Income Benefit (RMI) introduced in 1988. It also provides families with a rich array of universal cash benefits which aim to lighten the financial burden for families irrespective of their income. These measures are successful in reducing the poverty rate among families, in particular lone parent families. Despite the dramatic increase since the nineties in the number of welfare recipients, no real welfare-to-work programmes have been adopted contrary to the UK.

France has a long-standing and 'explicit' family policy that is overseen by government institutions and the subject of official reports produced annually. The 'family' as such is legally recognised as an institution that plays an important role in the maintenance of social cohesion. The appointment of a Minister responsible for family issues further demonstrates the importance given to this issue.

The principal institution in charge of family policy is the National Family Allowance Fund (CNAF), which covers around 90 per cent of all recipient families. Theoretically, the social partners (including family organizations) represented on the Executive Board of the CNAF periodically determine the orientations for intervention in family policy. In practice, decisions are made by the Government, whether approved or not by the Executive Board. It is solely at the local level that the Executive Boards of the CAFs have any real decision-making power, and in particular, a margin for manoeuvre in the provision and development of childcare services.

The resources allocated to the Family branch of Social Security continue to remain close to the European average. In the eighties, more than 90 per cent of the resources allocated to the family sector were provided by contributions paid by employers. Over the last decade, the funding structure has undergone a profound transformation with an increase in the proportion represented by state budget spending.

*Family allowances (corresponding to *Child Benefit), extended in 1932 to all salaried workers, represent the main cash benefit scheme. A law passed in 1975 extended its payment to all families: parents no longer needed to be in work, thus breaking with the principle of work-related benefits. Family allowances are not income-related and not

taxable. In accordance with a long-standing historical natalist approach, and despite constant demands from family organisations, families with only one child are denied *family allowances. However, in line with one of the goals of family policy to reduce child poverty, families with one child are entitled to a separate means-tested benefit if the child is aged under three years.

Family policy still bears clear traces of earlier history: its system of income transfers (family allowances and tax concessions through the 'quotient familial') follows a long-established natalist and family centred tradition and continues to favour large families (defined as those with three or more children). One of its main objectives is to partly compensate for the financial cost of having children. Tax law favours couples, whether married or not, with children. The aim is horizontal redistribution (from those with no children to those with children), an objective still supported by numerous politicians at both ends of the political spectrum. The 'quotient familial' operates as follows: within this family-based splitting system, the number of children is taken into account in calculating the tax liability, the total household income is divided by the number of family members, the relevant and progressive tax rate is applied to this income per adult equivalent (one 'share' for an adult, one 'half-share' for the first and second children, one 'share' for the third and subsequent children), and the resultant sum then multiplied by the number of family members. At the same income level, a family with three children will pay less than a family with only one child. This tax system is frequently subject to criticism by trade-unions and leftist political parties arguing that it should be limited to vertical redistribution, like in Sweden.

Family issues are addressed in many areas of public action, one noteworthy example being in the public transportation system where large families are provided with special reduced fares. Against the background of an increase in mothers' labour force participation, the work/life balance as an issue has gained increasing salience in political life and has come to the forefront of the social policy agenda. Boundaries between state, families, and market have been redrawn, evidence that the progressive entry of women into the workforce has been a driver for change in the French *welfare regime.

In the post-war years, the legislators were very much concerned about the high infant mortality rate. In order to encourage mothers to stay at home, couples with at least two children were offered financial incentives in the form of the 'Allocation de Salaire Unique' (Single Salary Allowance). Until the 1960s, France promoted the *'male breadwinner' model through generous assistance to families where only the man was in paid work. However, from the seventies onwards, women's organisations played a significant role in demands for public child care facilities and services. Against this background, political actors were inclined to win women's votes on the basis of their support for child care provision. In the context of an acute labour shortage (there was a growing demand for qualified women to occupy jobs in the tertiary sector) policy-makers became increasingly receptive to the arguments of early childhood specialists in favour of crèches: local Family Allowance Funds obtained additional funding to take partial responsibility for the running costs of public childcare services, including crèches, and to improve the quality of care for infants and young children.

At the same time, legislators took a further decisive step with the creation of a childcare allowance for families where the mother worked outside the home. This decision was particularly symbolic in that it also decreed that the Single Salary Allowance would henceforth only be granted to low-income families. Within this context, crèches, recreational centres, and holiday camps for employees' children were also organised by several companies at the instigation of their respective Works Committees.

In the second half of the 1970s the rise in the number of crèche places and the increasing attendance of young children at nursery school ('école maternelle') finally gave a decisive impetus to policies that were beginning to integrate the 'working mother' model. The 1977 law allowed registered 'childminders', restricted until then by the vagueness and ambiguity of their positions, access to proper employee status and its associated rights. This law also marked the first steps leading to social recognition of the importance of the quality of childcare;

Militant action and information campaigns organised by the National Association of Nursery Nurses, doctors in the Protection Maternelle et Infantile (a statutory service

responsible for health care of children aged under six years and supervising crèches and registered childminders) and psychologists were beginning to bear fruit. The early socialisation of young children was promoted by stressing that crèches were an 'ideal' preparation for entry into nursery school. When the Left came to power at the beginning of the 1980s, trade unionists and political decision-makers spoke increasingly of the need to develop a childcare policy to assist 'mothers' to combine work and family life. The progressive construction of policy orientated towards working parents interacted with the change in women's attitudes vis-à-vis paid work in a snowball effect that resulted in a rise in the number of working mothers.

The existence of the 'école maternelle', an institution created in the late nineteenth century under the Third Republic, added to the growing movement in favour of shared public responsibility for young children. Nearly a third of children aged under three and 100 per cent of those aged three to six now attend this free, full-day école maternelle. The presence of canteens and out-of-school-hours care centres have enabled more mothers to work full-time. Furthermore, local authorities have considerably developed recreational activities to keep schoolchildren occupied on lesson free Wednesday afternoons, or after school, using financial assistance from the local CAFs.

Since the beginning of the nineties, the changes associated with increasing flexibility at the workplace have led to rising demand for 'flexible' forms of child care arrangements. In the context of rising unemployment, the government therefore decided, in 1994, to exploit the job-creating potential of the childcare sector, and to dramatically increase both child care allowances and special tax breaks to help families to meet the costs of 'individualised' child care arrangements (childminders and home helps); the government hoped to encourage families with young children to create employment and at the same time to bring more domestic workers into the formal economy. Adopting the rhetoric of 'free choice for parents', and of 'diversification of childcare arrangements', successive governments have begun to use family policy as a tool to fight unemployment.

Therefore, the government also decided in 1994 to encourage economically active parents, in reality mothers, having a second child to opt for 'staying-at-home' after the maternity leave by providing them with an Allocation Parentale d'Education (APE, Child

Rearing Benefit), a flat-rate benefit, on the condition that they stop working or work only on a part-time basis until the child reaches the age of three. To be eligible for this benefit, parents are required to have worked or have been registered as unemployed before the birth. Despite a gender-neutral discourse, 98 per cent of beneficiaries are women.

This scheme has been successful among low paid or low qualified mothers. This current situation bears witness to the ambiguities of family policy; measures geared at working parents are being implemented alongside incentives for mothers to stop working for a certain period of time, at least until the child is three years old. As a result, since the nineties, the increase in funds allocated by the CNAF towards crèches has been modest when compared with the much higher funding allocated to childcare carried out by individuals and to the APE.

Nevertheless, unlike Germany, the UK or the Netherlands, it is currently quite socially acceptable for a child under three years of age to be taken care of in public day care facilities for the whole day while his/her parents are at work. Early socialisation is even considered to be of great value, particularly by the educated middle classes. In total, in dual-earner families, approximately seven out of ten children under three years of age attend either a crèche or nursery school or are the subject of subsidised childcare, whether this be a paid childminder or help in their own home or one of the two parents receiving the Child Rearing Benefit. All these figures are already beyond the targets for 2010 that were set at the European Summit of Barcelona held in 2002.

This large range of policies and schemes in favour of the work/life balance enables a better understanding of differences in mothers' labour force participation between European countries. France, along with Scandinavian countries, has one of the highest activity rates for women with children, whereas in the UK, Germany or the Netherlands, one-and-a-half earner households are the current norm. In France, among the majority of dual-earner couples with children, both partners work full-time.

For both economic reasons and as a result of the struggles by the women's movement, family policy has progressively integrated the 'working mother model' and the range of measures to help working parents has recently been expanded yet again. Public

expenditures in favour of the development of child care arrangements and parental leaves have dramatically increased over the last two decades. Despite the slowdown in its expansion, the system of public crèches has not faced funding cutbacks. On the other hand, the progressive introduction of measures and schemes to support 'working mothers' and the modernisation of child rearing norms have coalesced to justify in the eyes of couples, and more particularly women, both having children and being present on the labour market.

Recently under the socialist government, a serious attempt to change the gender division of care within families was made; This resulted in the decision to extend *paternity leave (paid at full rate under a certain ceiling by health insurance) from three to fourteen days from 2002. However, research has provided evidence that policies governments have been introducing since the eighties still fall short of a strong gender-egalitarian approach. And because of intimate links to employment policy, policies aimed at helping working parents are torn between the political will to promote gender equality at the workplace and the need to fight unemployment. The increase in means-tested benefits also mirrors the growing concern over social inequalities. As a result, criticisms of complexity and lack of clarity are more and more frequent. Corporatism and conflicting interests explain why successive government attempts to simplify the family benefit system have resulted in only piecemeal measures which have reinforced rather than reduced complexity. As a result, French family policy is often qualified as 'a swarm of bats'.

Significant shifts have occurred over the last three decades, in particular since the beginning of the nineties, in the area of maternal employment support, but family policy has become too complex and is still fluctuating between different and sometimes antagonistic objectives, a phenomenon which weakens its efficiency and corrodes its social legitimacy.

See also: child support services; familialization; feminism; paternity and parental leave; male breadwinner model; gender discrimination; sexual division of labor; welfare state

Further reading

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